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Laughlin, J. Laurence. *Banking Reform.* Pp. xii, 428. Price \$2.50. Chicago: The National Citizens' League, 1912.

This volume is an unusually valuable contribution to the literature of finance. In view of the undoubted weakness of our banking system and the present agitation for its reform, too much emphasis on the subject is well-nigh impossible. It was to be expected that the editor would devote to it his usual scholarly care and accuracy and the reader is not disappointed. The disastrous effects of our present reserve requirements, the lack of cooperation among banking institutions, the inelasticity of our bank notes and of our credit system, our lack of a discount market, the danger of the use of our reserves for call loans on stock market collateral—all these and other defects are carefully and thoroughly explained. In its criticism of existing conditions little is left to be desired.

As a remedy for our difficulties the plan for a National Reserve Association, as proposed by the National Monetary Commission, is advocated. Here again the book is strong. However, the reader must regret that several topics have not been treated. One of the most serious features of present banking practice is the concentration of surplus funds in New York where they are loaned on stock market collateral. As the National Reserve Association will not pay interest on deposits, and as the privilege of rediscount is open to all banks "having a deposit with it" (see sections 26, 27 and 28 of the bill) there seems to be no reason why the banks should not keep merely a nominal deposit with the association and send their other surplus to New York as at present. Another weakness in the proposed plan is also ignored in the book except for a footnote (p. 378), which is largely a quotation. If the association is not to purchase and sell in the open market its control over the discount rate can not be effective. In times of easy money it could lend only to the banks—its depositors—on their own terms. It could act only when a stringency was under such headway that the banks were compelled to borrow from it. This is in marked contrast to the practice of the large central banks of Europe which can make their rates effective from day to day.

Two unfortunate errors have crept in. The required reserves under the National Bank Act are given on page 7 as percentages of "outstanding liabilities" instead of deposits—a statement which is repeated on pages 29 and 284. In a description of the Aldrich-Vreeland Act of 1908 (p. 70) the tax on emergency notes is said to rise "from five per cent during the first month of their life to ten per cent at the end of six months." The explanation that these are per annum and not monthly rates would have been better.

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Learned, Henry B. *The President's Cabinet.* Pp. xii, 471. Price \$2.50. New Haven: Yale University Press, 1912.

Mr. Learned's book is one in a field covered by no other work. The extra-constitutional, and until 1907 extra-legal group we familiarly call the cabinet, has not attracted the attention of students of history and politics to the extent its importance justifies. We have not wakened to the fact that the heads of the executive departments have become one of our greatest institutions of govern-

ment. Acting in ways which as a rule arouse little public attention they are often the controlling factor which makes the observance of laws a fact or a fiction and an administration a success or a failure.

No one before Mr. Learned has given an adequate study to the process by which this body, only indirectly hinted at in the constitution, has grown to its present importance in our national affairs. The first chapters contain a contrast between the English cabinet, a controlling factor in legislation, and the American body which gradually was given the same name though it was only advisory to the executive. Then follows the discussion of the development of the idea of the President's council culminating in the organization of the state, war and treasury departments. A separate chapter is devoted to each of the cabinet positions which have later developed. Some, like the attorney-generalship, are shown as the outgrowth of positions originally provided for, but the functions of which have increased in importance. Others have become necessary because of the economic problems with which the administration has had to deal.

In review of the offices as a group the author shows that there never has been a definite ideal of what the cabinet should accomplish—a circumstance which has made its extra-legal growth easy, though it explains also the survival of legislation which has become unused. The reliance of the President upon the cabinet for guidance in administration has increased and must continue to do so. Only occasionally have the chief executives adopted important policies without consulting the cabinet or against its advice. The administrations of Adams and Jackson furnish the most marked examples. As a rule the strongest Presidents have been wise enough to lean heavily upon the advice of the members of their cabinets. Many of our most signal achievements are the results of policies which both in the inception and execution must be credited not to the head of the administration but to his counsellors.

Many who read Mr. Learned's book will look for a description of the actual functioning of our great administrative offices. Students of government have long awaited a volume which will give a picture of the actual work done by the executive departments. Just as the constitution is only the frame of government so the text of the law grants a bare list of powers. What is actually accomplished by action within the terms of the statute may be only faintly indicated by its terms. Our books on administration give us too much of the anatomy of our institutions, instead of their actual working. It is important for us to know how the offices came to be, but it is no less important to know what they now do, and how they affect our daily lives. This latter and more difficult task Mr. Learned has not attempted. The field is still open for a book which will show not what the cabinet has been but what it is and what it does.

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Lloyd, Caro. *Henry Demarest Lloyd.* Pp. xxvii, 698. Price \$5.00. New York: G. P. Putnam's Sons, 1912.

The significance of Mr. H. D. Lloyd's career is hardly exaggerated by the sister who writes these two large volumes in his memory. He accomplished certain